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UNCLAS TOKYO 002239

SENSITIVE
SIPDIS

PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [JA](#)
SUBJECT: RESPONSE FOR BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE
CHECK ON LICENSE 050185582

REF: STATE 090555

1. (SBU) Post submits the following information in response to reftel inquiry. Emboffs visited the premises of the foreign consignee, Mitsuhiro Corporation, and spoke with the firm's president, Kenzaburo Nagao, Managing Director Atsushi Kato, and Iyori Imamura and Takaaki Kato (identified below as T. Kato), two employees with direct knowledge of reftel transaction September 16. In addition, emboff corroborated information on the transaction with the foreign end-user, the Japanese Ministry of Defense (MOD) September 14.

2. (SBU) Nagao said Mitsuhiro Corporation, which incorporated as a trading company in 1992 and has five employees, mainly procures parts for small and medium construction machinery companies within Japan. In May 2009 the firm began a new line of business importing goods for the MOD. Mitsuhiro Corporation's relationship with the U.S. seller, Trans-Aero International, began shortly thereafter. Nagao said Mitsuhiro Corporation took up the military procurement business vacated by another firm, Goyo Shoji, which went bankrupt in April 2009.

3. (SBU) During a September 24 follow-up phone call, Imamura explained Goyo Shoji had several distributor contracts with U.S. manufacturers and exporters, including Trans-Aero International. After Goyo Shoji's bankruptcy, the MOD was looking for qualified companies that could carry on the defunct firm's outstanding contracts. Mitsuhiro had many contracts with the GOJ for construction projects, including with the MOD. Accordingly, Trans-Aero International and Mitsuhiro Corporation concluded a distributor contract around April 3, 2009.

4. (SBU) Mitsuhiro Corporation's main clients for this line of business are the Japan Ground Self Defense Force and Japan Air Self Defense Force (JASDF), to which the firm supplies parts for Patriot missile-related equipment. Mitsuhiro Corporation also has business with Mitsubishi Electric Corporation.

5. (SBU) Imamura presented an original procurement contract signed by Nagao and an official from the Japan Air Self Defense Force Fourth Depot in Iruma, Saitama Prefecture on August 13, 2009. The deadline for delivery is February 26, 2010.

6. (SBU) According to Imamura, a freight forwarder, K Line International, will clear the commodity with customs, then, if the shipment is not too big, will deliver it to Mitsuhiro Corporation's office. If the item as shipped is too large, the forwarder will store it in its storage facility in Baraki, Chiba Prefecture. Imamura said the company often uses a delivery company to deliver goods to the end-user, but employees accompany the goods in order to observe the inspection by Japan Self Defense Force officials. The goods will arrive and be delivered to the end-user in one shipment, and will not be stored or stock piled in Mitsuhiro Corporation's Office.

7. (SBU) Mitsuhiro Corporation's office is located in a single room

within a commercial building in Minato-ward, Tokyo. The firm contracts with a private security company for burglary detection, and the building is also securely locked in the front during non-business hours. After the front door is locked, the elevator will not stop at their floor. Imamura said the firm had no thefts.

¶8. (SBU) Imamura and T. Kato stated Mitsuhiro Corporation understands the restriction on U.S. Munitions List (USML) items and the prohibition against unauthorized re-transfer and re-export. Imamura and T. Kato were both previously employed by Goyo Shoji, which had several contracts with distributors of USML items.

¶9. (SBU) Separately, Kenichiro Teramoto, an official in the Ministry of Defense (MOD), Equipment Policy Division, confirmed the JASDF Fourth Depot is the end-user. Teramoto confirmed via e-mail the JASDF is procuring 353 units of Arming Unit, Electromechanical Part No. 7631354-10 from Trans-Aero International, Inc. through Mitsuhiro Corporation to repair electronic components installed in bomb racks for F-15 fighter jets.

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